

Iowa Health Buyers Alliance

Iowa Exchange Workgroup

October 4, 2010

The Alliance

- An association of consumers and purchasers working for better health, better health care, and better value
- Support patient centered health care, quality improvement, wellness, and increased transparency and public reporting of provider performance

Health Reform

- Maintaining/expanding coverage will require effective action to improve quality and drive-out cost...getting better value
- The current system is unsustainable
- Great opportunities to improve quality and drive-out cost

Exchange Should Be More Than Clearinghouse for Plans

- Broad authorities set out in Affordable Care Act
- Be active purchasers
- Provide consumers with information and tools they need to make value-based decisions about their coverage and selection of providers
- Convey quality and cost information to consumers

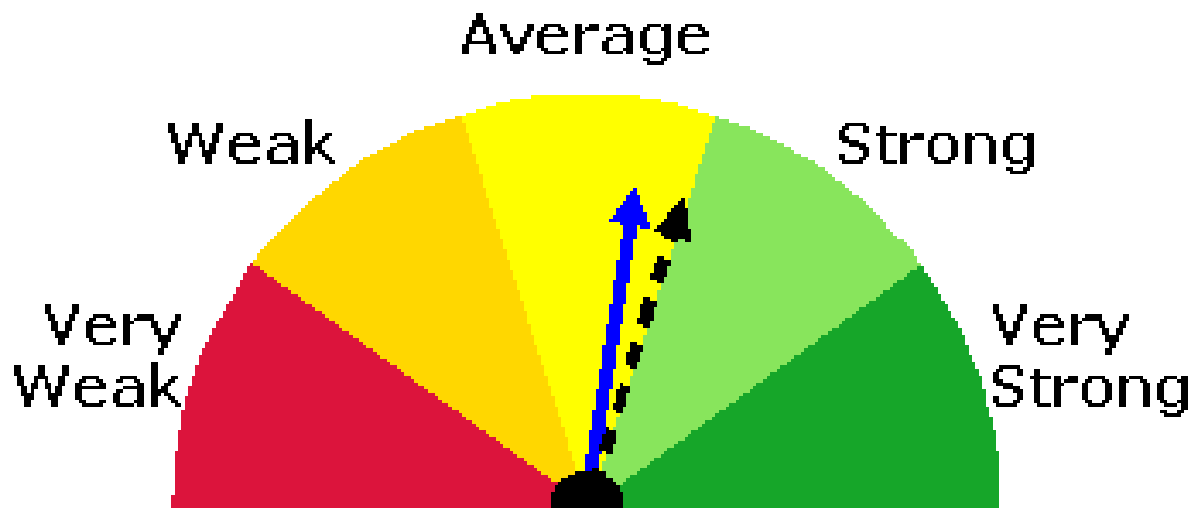
Quality Problems and Opportunities

- 30% of health care costs due to poor quality
- This resultant cost is about \$2,900 per covered employee
- Preventable deaths from hospital medical errors claim up to 195,000 lives per year
- Hospital associated infections account for 1.7 M infections and 99,000 deaths each year
- This results in annual direct cost of \$25 to \$31.5 billion
- About one-third of common surgical procedures may not be necessary
- About one-half of recommended care is received
- “About 70% of what we do is non-value added (waste)”
John Toussaint, MD, ThedaCare

Quality of Care in Iowa

- Iowa has tradition of quality
- Recent report by Federal Agency for Healthcare Research and Quality (AHRQ) ranks Iowa in average range among the states
- Great opportunities for improvement

Iowa Dashboard on Health Care Quality Compared to All States Overall Health Care Quality



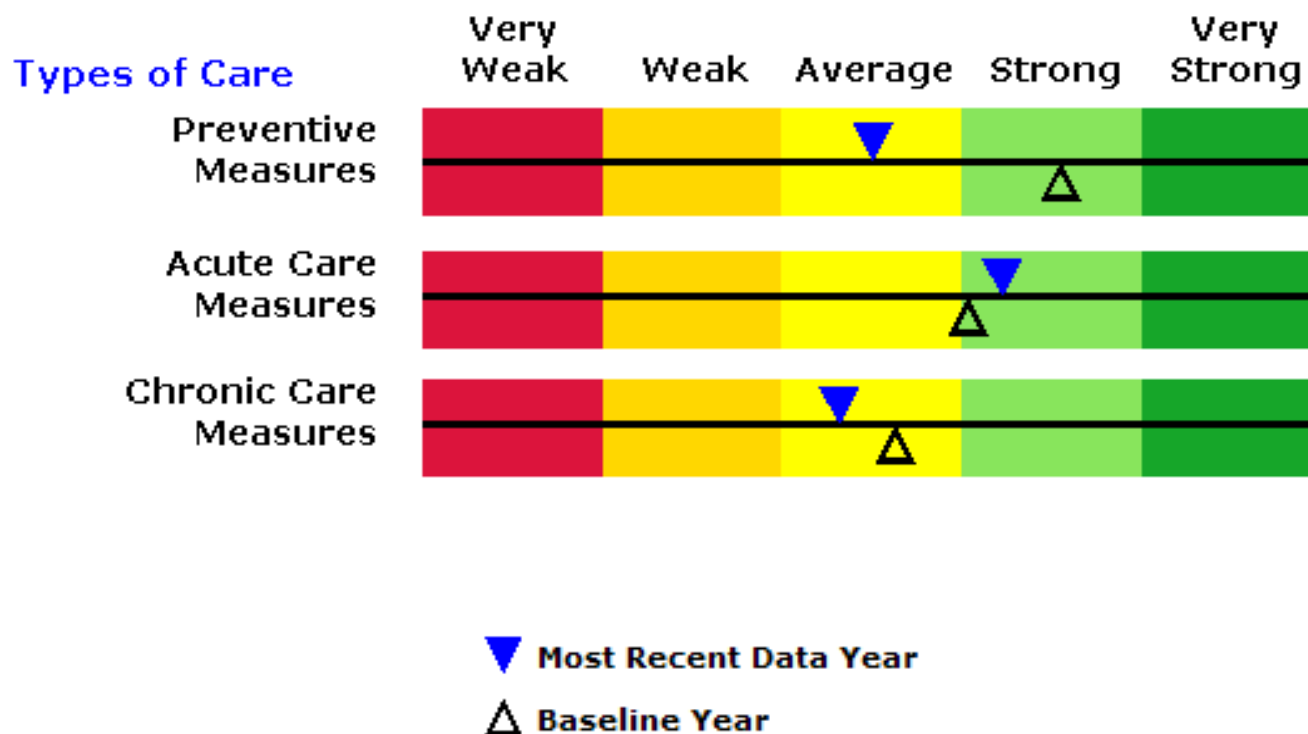
Performance Meter: All Measures

-  = Most Recent Data Year
-  = Baseline Year

(Baseline year may vary across measures)

Iowa Dashboard on Health Care Quality

Types of Care



AHRQ Three Themes

- Health care quality needs to be improved, particularly for uninsured
- Some areas merit urgent attention including patient safety and health associated infections
- Quality is improving, but at a slow pace, especially for prevention and chronic disease management

What will it take to motivate providers?

- Three major approaches:
 - 1) Regulation/accreditation,
 - 2) Financial incentives and,
 - 3) Public reporting of performance and feedback to providers
- Meaningful public reporting is most promising

Source: Lucian Leape, MD, Harvard

Improving Quality

- “ Consistent advancing quality requires transparency.... it’s hard to have safety where you don’t have transparency”

Institute for Healthcare Improvement

Uses of Public Reporting of Provider performance Information

- For improvement
- Consumer choice
- Part of payment reform

Providers Have Concerns

- One key barrier raised to public reporting: lawsuits might be prompted
- Not necessarily an issue
- University of Michigan Health System adopted full disclosure and compensation-offer policy. Within seven years new claims decreased by 64% and rate of lawsuits fell by 35%

Financial Incentives

- Meaningful public reporting also necessary to improve financial incentives
- Accountable Care Organizations have potential for improving quality and affordability
- Four big concerns raised:
 - Will ACOs be delivering to fullest potential?
 - Beware of emerging cartels
 - Alignment between public and private sectors
 - Are patient-centered provisions in place?
- Measurements and transparency are key to answer these concerns

IHBA Consumers' Guides

- Guide 4: Ranking of Hospitals for Chronic Care, Greater Iowa Area
- Large variation in amount of hospital care depending on which hospital provided the care
- Dartmouth researchers conclude “aggressive medical care can lead to more pain, with no gain”

Good Work Underway For Public Reporting

- Measures: National Quality Forum
- Producing information: CMS, Dartmouth Atlas, Leapfrog Group and AHRQ
- Public Reporting: Most states provide some meaningful public reporting. Leaders include Pennsylvania, Florida, Massachusetts, Maine, Minnesota and Wisconsin

Iowa Public Reporting

- While Iowa is behind the leading states in meaningful public reporting of provider performance it can become a leader as in others fields

Growing Broad Support for Public Reporting in Iowa

- Iowa GOP and Democratic leaders support
- Iowa Association of Business and Industry (ABI) Policy Position “supports increased transparency in health care including providers’ quality, outcomes, and fees”
- Increased media coverage and attention

Recommendations

- 1) Commission should endorse and fully support as a goal the comparative public reporting of health provider quality, patient safety, outcomes, and cost that is meaningful to consumers, patients, and purchasers
- 2) The Commission should recommend that the Iowa Exchange provide consumers with information about selection of providers as well as coverage. It should be designated to help drive meaning public reporting of provider performance in Iowa for consumers, patients, and purchases

Recommendations

- 3) The Commission should recommend that the State of Iowa should further transparency and meaningful public reporting through value-based purchasing by the two major purchasers - the Department of Administrative Services and the Iowa Medicaid Program
- 4) The Commission should review and report on efforts underway in other states to increase transparency and meaningful public reporting and include the findings in its final report

Information Available

- Numerous reports and documents referred to today as well as others are available from IHBA upon request
- IHBA willing to assist

Thank You

- The IHBA is available to assist you
- Website: www.ihbaonline.org
- Email: contact@ihbaonline.org
- Phone: 515-252-2530